



निक्षेप बीमा और प्रत्यय गारंटी निगम  
Deposit Insurance and Credit Guarantee Corporation  
[www.dicgc.org.in](http://www.dicgc.org.in)

**Short Tender: (Brief about the tender for appointment of Actuary for estimation of actuarial liability of the Corporation)**

Deposit Insurance and Credit Guarantee Corporation (DICGC) invites sealed tenders in two parts (Technical Bid and Financial Bid – in separate envelopes) for appointment of Actuary for estimating the actuarial liability of the Corporation.

2. The proposals to be submitted will be in two (2) sealed envelopes:

2.1 The first envelope should be super scribed “**Technical Bid for appointment of Actuary**” and contain detailed statement giving the various technical particulars of the firm / company viz., name, location, registration number of the firm / company, year of establishment, names of partners, key staff, their qualification / experience, and all other such relevant particulars in the format given in **Annex I (a) and Annex I (b)**.

2.2 The second envelope should be super scribed “**Financial Bid for appointment of Actuary**” and contain the details of the financial bid of the proposal including all costs and excluding applicable taxes (all applicable taxes shall be shown / mentioned separately) in the format given in **Annex II**.

2.3 The above mentioned envelopes should be sealed and then put in a large envelope super scribed “**Appointment of Actuary**” and submitted to the Corporation on or before **August 23, 2019 before 4:00 pm**. Tenders will be accepted only when deposited in person in the tender box kept for the purpose in the Deposit Insurance and Credit Guarantee Corporation, 2<sup>nd</sup> Floor of Reserve Bank of India Building at Mumbai Central Railway Station, Mumbai – 400008.

**3. Objective & Scope**

The Request for Proposal (RfP) is invited with a view to appoint an Actuary for estimating the actuarial liability of the Corporation on a half yearly basis. The

selected firm would advise / assist DICGC in all the matters relating to estimation of the actuarial liability of the Corp.

**Request for Proposal (RfP) for Appointment of Actuary in DICGC for estimating the actuarial liability of the Corporation**



Head Office: Reserve Bank of India Building, Second Floor, (Opp. Mumbai Central Railway Station) Byculla, Mumbai – 400008.

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other than the purpose specified herein, is strictly prohibited as it shall amount to copyright violation and thus shall be punishable.

### Important Bidding Information Summary:

Purpose	Particulars
Cost of Bidding Document	No cost has been prescribed for the Bidding Document.
Last Date and time for Submission of	August 23, 2019 before 4:00 p.m.
Last Date for seeking clarifications	Clarifications, if any, regarding RfP may be asked through e-mail ( <a href="mailto:deepaknarang@rbi.org.in">deepaknarang@rbi.org.in</a> ; <a href="mailto:bsavitha@rbi.org.in">bsavitha@rbi.org.in</a> ) not later than 11:00 hrs on August 14, 2019.
Bid Validity	The proposal must remain <b>valid and open for evaluation according to their terms for a period of at least sixty days (60 days)</b> from the time the RfP closes on the deadline.
Address for submission of Bids	The Deputy General Manager Department of Accounts and Taxation, Deposit Insurance & Credit Guarantee Corporation 2 <sup>nd</sup> Floor, RBI Building Mumbai Central Mumbai - 400008
Number of sealed envelopes (non-window) to be submitted	Proposals to be submitted in <b>two (2)</b> envelopes as follows: (a) The <b>first envelope</b> should be scribed " <b>Technical Bid for appointment of Actuary</b> " and contain detailed statement giving the various technical particulars of the firm / company viz., name, location, registration number of the firm / company, year of establishment, names of partners, key staff, their qualification / experience, and all other such relevant particulars in the format given in <b>Annex I (a) and Annex I (b)</b> .

	<p>(b) The second envelope should be super scribed “<b>Financial Bid for appointment of Actuary</b>” and contain the details of the financial bid of the proposal including all costs and excluding applicable taxes (all applicable taxes shall be shown / mentioned separately) in the format given in <b>Annex II</b>.</p> <p>The above mentioned envelopes should be sealed and then put in a large envelope super scribed “<b>Appointment of Actuary</b>” and submitted to the Corporation on or before the time fixed and last date for submission. Tenders will be accepted only when deposited in person in the tender box kept for the purpose in Deposit Insurance &amp; Credit Guarantee Corporation, 2<sup>nd</sup> Floor, RBI Building, Mumbai Central, Mumbai – 400008.</p> <p><b>Note:</b>Details sought for as per the RfP, along with the attachments must be submitted in sealed envelopes only.</p>
Date of opening of envelope containing -	
Technical Bids	August 26, 2019;03:30 p.m.
Financial Bids	<p>Financial Bids would be opened on the same date (i.e. on August 26, 2019) the time of which would be notified only to the technically qualified Bidders. Please note that all the information as required under this RfP needs to be provided. Proposal submitted with incomplete information is liable to be rejected. DICGC’s decision in this regard will be final and binding. DICGC reserves the right to change the dates as mentioned above. Changes, if any, related to RfP will be posted on web site. Bidders must check the website before submitting response to RfP.</p>
<b>Contact Details of DICGC Officials</b>	

<b>Name (Smt / Shri)</b>	<b>Designation</b>	<b>Phone No.</b>	<b>Email ID</b>
Savitha Srikanth	AGM	022-23028211	<a href="mailto:bsavitha@rbi.org.in">bsavitha@rbi.org.in</a>
Deepak Narang	DGM	022-23028204	<a href="mailto:deepaknarang@rbi.org.in">deepaknarang@rbi.org.in</a>

## **1. Introduction and Disclaimers**

### **1.1 Purpose of RfP**

The purpose of RfP is to “**Appoint an Actuary**”having experience in actuarial business for estimating Actuarial Liability of the Corp. The company / firm has to estimate the actuarial liability on a half yearly basis.

### **1.2 Information Provided**

The Request for Proposal (RfP) document contains statements derived from information that is believed to be relevant at the date but does not purport to provide all of the information that may be necessary or desirable to enable an intending contracting party to determine whether or not to enter into a contract or arrangement with DICGC. Neither DICGC nor any of its employees, agents, contractors, or advisors give any representation or warranty, express or implied, as to the accuracy or completeness of any information or statement given or made in this document. Neither DICGC nor any of its employees, agents, contractors, or advisors has carried out or will carry out an independent audit or verification exercise in relation to the contents of any part of the document.

### **1.3 Disclaimer**

Subject to any law to the contrary, and to the maximum extent permitted by law, DICGC and its officers, employees, contractors, agents, and advisors disclaim all liability from any loss or damage (whether foreseeable or not) suffered by any person acting on or refraining from acting because of any information including forecasts, statements, estimates, or projections contained in this RfP document or conduct ancillary to it whether or not the loss or damage arises in connection with any negligence, omission, default, lack of care or misrepresentation on the part of DICGC or any of its officers, employees, contractors, agents, or advisers.

### **1.4 Costs to be borne by Respondents**

All costs and expenses incurred by Respondents in any way associated with the development, preparation, and submission of responses, including but not limited to the attendance at meetings, discussions, demonstrations etc. and providing any additional information required by DICGC, will be borne entirely and exclusively by the Respondent.

### **1.5 No Legal Relationship**

No binding legal relationship will exist between any of the Respondents and DICGC until execution of a contractual agreement.

### **1.6 Respondent Obligation to Inform Itself**

The Respondent must conduct its own investigation and analysis regarding any information contained in the RfP document and the meaning and impact of that information.

### **1.7 Evaluation of Offers**

Each respondent acknowledges and accepts that DICGC may in its absolute discretion apply selection criteria specified in the document for evaluation of proposals for short listing / selecting the eligible vendor (s). The RfP document will not form part of any contract or arrangement, which may result from the issue of this document or any investigation or review, carried out by a recipient.

### **1.8 Maintaining Secrecy and Confidentiality**

The respondent shall be liable to maintain secrecy and confidentiality of all the information / data / operations, etc. of DICGC.

### **1.9 Errors and Omissions**

Each respondent should notify DICGC of any error, omission, or discrepancy found in its RfP document.

### **1.10 Acceptance of Terms**

A respondent will, by responding to DICGC for RfP, be deemed to have accepted the terms of this Introduction and Disclaimer.

### **1.11 Lodgement of RfP**

#### **1.11.1 RfP Submission:**

The bidding firm is required to submit the details of its proposal in two (2) sealed envelopes.

The **first envelope** should be scribed “**Technical Evaluation for appointment of Actuary**” and contain detailed statement giving the various technical particulars of the firm / company viz., name, location, registration number of the firm / company, year of establishment, names of partners, key staff, their qualification / experience, and all other such relevant particulars in the format given in **Annex I (a) and Annex I (b)**.

The second envelope should be super scribed “**Financial Bid for appointment of Actuary**” and contain the details of the financial bid of the proposal including all costs and excluding applicable taxes (all applicable taxes shall be shown / mentioned separately) in the format given in **Annex II**.

The above mentioned envelopes should be sealed and then put in a large envelope super scribed “**Appointment of Actuary**” and submitted to the Corporation on or before **August 23, 2019 at 4:00 pm** at the following address: The Deputy General Manager, Deposit Insurance & Credit Guarantee Corporation, 2<sup>nd</sup> Floor, RBI Building, Mumbai Central, Mumbai – 400008; Telephone No. 022-23028204

**Note:** Details sought for as per the RfP, along with the attachments must be submitted in sealed envelopes only. Tenders will be accepted only when deposited in person in the tender box kept for the purpose in the Deposit Insurance & Credit Guarantee Corporation, 2<sup>nd</sup> Floor, RBI Building, Mumbai Central, Mumbai – 400008.

**1.11.2** The person (s) signing the bid documents shall put his signature on all pages of the bid. The bid shall contain no erasures or overwriting except as necessary to correct errors made by the bidder, in which case corrections shall be authenticated by the person (s) signing the bid. The bidder shall duly seal each envelope separately. The two envelopes should be put together in one large envelope and should reach The Deputy General Manager, Deposit Insurance & Credit Guarantee Corporation at the address mentioned above on or before the last date and time of the receipt of bids. If the submission does not include all the information required or is incomplete, the proposal is liable to be rejected.

All submissions, including any accompanying documents, will become the property of DICGC. Respondents shall be deemed to license, and grant all rights to DICGC to reproduce the whole or any portion of their submission for the purpose of evaluation, to disclose the contents of the submission to other respondents and to disclose and / or use the contents of the submission as the basis for any resulting RfP process, notwithstanding any copyright or other intellectual property right that may subsist in the submission or accompanying documents.

### **1.11.3 RfP Validity period**

The proposal must remain valid and open for evaluation according to their terms for a period of at least sixty days (60 days) from the time the RfP closes on the deadline for lodgement of RfP.

### **1.11.4 Cost of Bidding Document**

No cost has been prescribed for the bidding document.

### **1.11.5 One bid per bidder**

Each bidder shall submit only one bid for a single assignment.

### **1.11.6 Late Bids**

Any bid received after the deadline for submission of the bids will be treated as “Late Bid” and such bids shall not be considered at all for competitive bidding.

## **1.12 Communication in respect of queries relating to RfP**

Respondents are required to direct all communications related to this RfP, through the Nominated Point of contact persons: Shri. Deepak Narang, Deputy General Manager, [deepaknarang@rbi.org.in](mailto:deepaknarang@rbi.org.in), 022-23028204 and Smt. Savitha Srikanth, Assistant General Manager, [bsavitha@rbi.org.in](mailto:bsavitha@rbi.org.in) , 022-23028211,;

DICGC may, in its absolute discretion, seek additional information or material from any respondents after the RfP closes and all such information and material provided must be taken to form part of that respondent’s response.

Respondents should provide details of their contact persons, fax, telephone number, email and full address(s) to ensure that replies to RfP could be conveyed promptly.



If DICGC, in its absolute discretion, deems that the originator of the question will gain an advantage by a response to a question, then DICGC reserves the right to communicate such response to all respondents.

DICGC may, in its absolute discretion, engage in discussion or negotiation with any Respondent (or simultaneously with more than one Respondent) after the RfP closes to improve or clarify any response.

### **1.13 Notification**

DICGC will notify the successful bidder in writing as soon as practicable about the outcome of the RfP. DICGC is not obliged to provide any reasons for any such acceptance or rejection.

### **1.14 Disqualification**

Any form of canvassing / lobbying / influence / query regarding short listing, status, etc... will be a disqualification.

## **2. Project Objective & Scope**

**2.1** The RfP is invited with a view to “**Appoint an Actuary**” having experience in actuarial business for estimating Actuarial Liability of the Corp.

### **2.2 Duties and Responsibilities:**

**2.2 (i)** Estimating the actuarial valuation of technical reserve for Deposit Insurance and Credit Guarantee Corporation on half yearly basis based on the following methodology:

#### **A. Calculation of Probability of default for Banks**

##### **For Commercial Banks:**

The probability of default will be calculated based on:

- Credit rating of banks;
- NPA ratio of banks along with RBI's Prompt Corrective Action Framework;
- Past experience including amalgamation impact;
- Expected future default rate based on current status, future economic outlook and expert judgement;

##### **For RRB, LAB and Co-operative Banks:**

The probability of default will be calculated based on:

- NPA ratio of banks along with information on Directions placed by RBI;
- Past data for default provided by DICGC
- Past experience including amalgamation impact;
- Expected future default rate based on current status, future economic outlook and expert judgement;

**B. Calculation of Technical Reserve:** The technical reserve will be calculated based on two inputs to the model viz., Probability of default as calculated (projected) and exposure which is the actual insured amount for different banks as provided by DICGC.

**C. Assumptions:** The reserves will be set up cast with prudent and best estimate assumptions.

**2.2 (ii)** Measure the sensitivity of the reserve to credit risk, interest rate risk and systemic risk.

**2.2 (iii)** Scenario analysis to evaluate systemic risk.

## **General**

**a.** The selection will be on the basis of Technical evaluation and Financial Bid evaluation. The appointment will be initially for a period of three years with same remuneration subject to yearly review and satisfactory performance at the DICGC's sole discretion.

**b.** Decision of DICGC in all matters as eligibility in such stages of eligibility is to be undertaken at which such scrutiny of the documents to be produced, award of assignment and any other matter relating to this notification will be final and binding on the applicants. No correspondence or personal enquiries shall be entertained by the DICGC in this regard.

## **3. Selection Process**

This RfP will be assessed on the following selection process:-

Phase 1 – Technical evaluation

Phase 2 – Financial evaluation

A pre-bid meeting may be held, if necessary, to clarify points, if any, as desired by the intending bidders.

The bids would be opened on August 26, 2019. In the first instance the first envelope containing the technical particulars would be opened and the list of technically qualified particulars would be opened and the list of technically qualified bidders would be short listed based on the following criteria:

**Phase – 1: Technical Evaluation:**

1. Should be a firm / company interalia, engaged in providing services regarding actuarial estimation. The firm / company should have competence in actuarial business.
2. Should have at least 3 experts dealing in actuarial matters.
3. Should possess a minimum of 15 years of experience in the actuarial field and 3 experts with at least 5 to 7 years of experience.
4. Should have gross receipt of more than ₹ 3 crore from Actuarial business for each of the last 3 financial years prior to the date of making applications.
5. Should have an Office/branch office in Mumbai in the State of Maharashtra.

The Financial Bid will thereafter be opened on the same day i.e. on August 26, 2019. The technically qualified bidders alone will be informed of the time of opening of the financial bid for appointment as Actuary. Only the authorised persons carrying ID proof and having a letter of authority under the respective firm's seal will be allowed to attend opening of bid. **The decision of DICGC will be final in this regard.**

**Phase – 2: Financial Bid Evaluation:**

- a) The financial bid of technically qualified bidders alone will be opened and evaluated. The bidder among the technically qualified bidder with the lowest quote (L1 bidder) will be selected as the successful bidder. The successful bidder will have to submit the letter of acceptance within three working days.
- b) DICGC reserves all rights to accept or reject any or all proposals without assigning any reasons thereof.

**4. Guidelines & Instructions**

**(i)** DICGC has made an endeavour to make available all relevant information in the RfP. For any further information or clarification during the tender period, only the Contact Officers named above may be contacted. Except with express permission, the bidder should not communicate directly with any other DICGC personnel involved in work concerning this invitation. Failure to comply with this requirement may result in the disqualification of the firm from this competition.

**(ii) Government Tax** – Bidders are responsible for establishing the status of the services for the purpose of any government tax including Indirect tax, CESS, etc. to Gol. Financial bid of the proposal should include all costs and exclude applicable taxes (all applicable taxes shall be shown / mentioned separately) in the format given in **Annex II**.

**(iii) Alterations to Tenders** - Any manuscript or other alteration to the bid must be countersigned and dated by the person submitting the tender.

**(iv) Letters and Declaration to Accompany Tenders** - The bid must be accompanied by a letter on firm / company 's letter head showing the full registered name (s) and registered office address of the bidder. It should be signed by a person of suitable authority to commit the bidders to a binding contract.

**(v) Packaging and Delivery of Tenders** - Bids must be delivered in a double sealed envelope clearly labelled with the following:

1. Project Title;
2. Tender Due Date;
3. Bidder's Name;

DICGC accepts no responsibility for the premature opening of any incorrectly marked tenders.

**(vi) Conflict of Interest** - Bidders must disclose in their bid details of any circumstances, including personal, financial and business activities that will, or might, give rise to a conflict of interest. Where bidders identify any potential conflicts they should state how they intend to avoid such conflicts. DICGC reserves the right to reject any bid which, in DICGC's opinion, gives rise, or could potentially give rise to, a conflict of interest.

**(vii) Undertaking** - Bidders must give an undertaking that:

-There has not been any disciplinary action initiated or contemplated/suspension of business against the entity by Institute of Actuaries of India/ RBI / DICGC or other regulatory / statutory authority during the last five years.

-None of the partner/employees have been convicted of any offence involving moral turpitude or has been found guilty of economic offence.

- No appeal/unresolved dispute/suit/case/application has been pending at any court in India regarding the existence of the business / right to carry on practice.

**(viii) Indemnity** - The successful bidder shall exercise reasonable skill, care and diligence in the performance of the assignment and indemnify and keep DICGC, its officers and other staff indemnified in respect of any loss, damage or claim howsoever arising out of or related to breach of contract, statutory duty or negligence by the firm or its staff, agents or sub-contractors in relation to the performance or otherwise of the services to be provided under the Contract.

**(ix) Assigning to Others** - The successful bidder shall not, without the prior written consent of DICGC, assign or transfer or cause to be assigned or transferred, whether actually or as the result of takeover, merger or other change of identity or character of the Experts, any of its rights or obligations under the Contract or any part, share or interest therein. Upon any such assignment or transfer, this engagement may forthwith be terminated by DICGC.

**(x) Termination** - DICGC may, at its sole discretion and at any time terminate the Contract by giving a month's notice, and inform the firm / Company of DICGC's decision by written instruction to that effect. In the event of the Contract being so terminated, the firm shall take such steps as are necessary to bring the services to an end, (including terminating any sub-contracts placed by the firm) in a cost effective, timely and orderly manner.

**Annexure I a**

**A. Application for appointment as Actuary:Details of the Firm**

<b>S.No</b>	<b>Particulars</b>	<b>Details</b>
1.	Name of the firm/company/undertaking with registration / membership number of Actuaries Society of India	
2.	Year of establishment / Registration of the Consultant firm / Company	
3.	Year of commencement of Actuarial consulting assignments	
4.	Contact details: (indicate contact person name, telephone No., Fax No, email id)	
5.	Income Tax PAN and Goods and Service Tax registration No. (Please attach documentary evidence)	
6.	Details of each partner / director including experience, qualification (also specify whether actuary or not) etc.	
7.	Details of key employees/qualified assistants including their qualification (also specify whether actuary or not) and experience in executing such assignments	
8.	Nature of overall experience and notable achievements / recognitions, if any, in actuary related consultancy field (including banks / FIs)	
9.	Particulars of infrastructural facilities (location of branches/offices)	
10.	Any other related information, not mentioned above, which the bidder wishes to furnish.	
11.	Please enclose copy of IT return for last three assessment years, up to FY 2019	
<p>I declare that:</p> <p>(a) The firm or no partner has been subjected to any disciplinary proceedings initiated by the Institute of Actuaries / DICGC / RBI / Regulatory / Statutory Authorities;;</p> <p>(b) The firm or no partner has been debarred or black listed by any Government / Semi - Government organisation / institution in India or abroad;</p>		

**Signature of authorised Signatory with the seal of the firm**

**Note: All the relevant details & documentary evidence are to be furnished. The above is only a format. Information may be submitted in additional sheet.**

**Annexure I b**

**a) Details of Partners/ Directors and key employees of the firm:**

S.No	Name of Partner/Director/ Key employees	Qualification	Whether Actuary	Date of joining the firm	Experience in the firm in the field of	
					Actuary	Others

**b) Details of Assignments / Consultancy services as provided by the firm:**

S.No	Client Name	Period of assignment		Work related to	
		From	To	Actuarial	Others

## Annexure II

### Application for appointment as Actuary: Financial Bid Form

The Financial Bid should contain the total cost for the proposed assignment with break-up of consolidated fees and taxes. DICGC would not be providing or reimbursing any expenditure towards accommodation, local conveyance, air fare or train fare, halting expense, lodging, boarding etc. in connection with carrying out the assignment.

The format for the Financial Bid is given below:

<b>1</b>	Name of the Firm	
<b>2</b>	Complete Postal Address	
	<p>Yearly remuneration for -            (i) Estimating the actuarial valuation of technical reserve for Deposit Insurance and Credit Guarantee Corporation on half yearly basis based on the following methodology:</p> <p><b>A. Calculation of Probability of default for Banks</b></p> <p>For Commercial Banks:            The probability of default will be calculated based on:</p> <ul style="list-style-type: none"> <li>• Credit rating of banks;</li> <li>• NPA ratio of banks along with RBI's Prompt Corrective Action Framework;</li> <li>• Past experience including amalgamation impact;</li> <li>• Expected future default rate based on current status, future economic outlook and expert judgement;</li> </ul> <p>For RRB, LAB and Co-operative Banks:            The probability of default will be calculated based on:</p> <ul style="list-style-type: none"> <li>• NPA ratio of banks along with information on Directions placed by RBI;</li> </ul>	<p>□.....per annum (include all costs and exclude applicable taxes);</p> <p>(Amount in rupees - in words and figures)</p> <p>All applicable taxes shall be shown / mentioned separately</p>



<ul style="list-style-type: none"> <li>• Past data for default provided by DICGC</li> <li>• Past experience including amalgamation impact;</li> <li>• Expected future default rate based on current status, future economic outlook and expert judgement;</li> </ul> <p><b>B. Calculation of Technical Reserve:</b> The technical reserve will be calculated based on two inputs to the model viz., Probability of default as calculated (projected) and exposure is the actual insured amount for different banks as provided by DICGC.</p> <p><b>C. Assumptions:</b> The reserves will be set up assuming a contract for one year and reserve will be cast with prudent and best estimate assumptions.</p> <p>(ii) Measuring the sensitivity of the reserve to credit risk, interest rate risk and systemic risk.</p> <p>(iii) Conducting scenario analysis to evaluate systemic risk.</p>	
<p><b>Signature of authorised Signatory with the seal of the firm</b></p>	

## **Declaration**

(To be furnished in the letter head of the firm / company)

We hereby declare that the information submitted above is complete in all respect and true to the best of our knowledge. We understand that in case any discrepancy or inconsistency or incompleteness is found in the information submitted by us, our application is liable to be rejected.

Date: Authorized Signatory